Price Comparison Sites Caught Lying on the Phone to Customers About Cheapest Energy Deals to Grab More Profit

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Price comparison sites caught lying on the phone to customers about cheapest energy deals to grab more profit

They claim the deals that line their pockets are the cheapest on the market, when the truth is there are others as much as £60 cheaper

MPs on the Energy Select Committee to question the CEOs of the major switching sites tomorrow

Today (Monday 2nd February) the consumer collective The Big Deal publishes new research including audio recordings which shows that the Big Five price comparison websites - uSwitch, Go Compare, MoneySupermarket, Compare the Market and Confused - have all lied over the phone to consumers about what the cheapest energy deals are to earn themselves more money. These companies claim to be independent and impartial but when asked what the cheapest deal was, phone advisers failed to mention deals that didn't pay them a commission. Consumers are losing out as a result.

In the case of uSwitch - the biggest energy switching company - the difference between what they claimed was the cheapest deal and the reality was £60. The phone advisers lied and claimed more expensive deals were the cheapest, even when asked repeatedly.

These findings come in the wake of a scandal in October last year when The Big Deal published research which found that all of the Big Five price comparison websites hid online the cheapest deal from users, often for weeks on end, because they did not earn commission from them. This was while the Big Five companies' post tax profits have more than quadrupled from £30 million in 2005 to £170 million in 2013.

MPs on the House of Commons Energy Select Committee are now investigating the sites' practices and lack of transparency over commission. They are holding an oral hearing with the CEOs of the Big Five price comparison sites tomorrow (Tuesday 3rd February) in the House of Commons.

The latest investigation by The Big Deal proves that these sites are behaving as badly over the phone as they are online. This means that elderly people or hard-up families - who can't afford or don't have access to the internet - end up paying higher energy bills.

The Big Deal has published transcripts and audio recordings of phone calls made to price comparison site's helplines over the last few weeks. They found:

- uSwitch claimed a deal from Scottish Power for gas only was the cheapest when there were SIX cheaper deals including one £62.57 cheaper from Zog Energy.

- uSwitch claimed a deal from First Utility for dual fuel was the cheapest when there were FOUR cheaper deals including one £30.90 cheaper from Extra Energy.

- Go Compare claimed a deal from Scottish Power for gas only was the cheapest when there was a deal £18 cheaper from Zog Energy.

- MoneySupermarket, Compare the Market and Confused all claimed a deal from Green Star Energy for gas only was the cheapest when there was a deal £11 cheaper from Zog Energy.

All the cheaper deals, that were hidden from consumers, were from suppliers that didn't pay the sites a commission. Price comparison sites refuse to be transparent about their commission, but the amount earned for each person that switches is believed to be as much as £100.

Will Hodson, Co-founder of The Big Deal, said:

"After being caught out for misleading customers on their websites, you might expect comparison sites to have cleaned up their act.

"Instead we see even dirtier tricks. Telling outright lies to society's most vulnerable is as bad as the dark days of doorstep selling.

"Trust has been broken. Far from being consumer champions, switching sites are letting people down. We deserve answers - honest advice should not be too much to ask."

ENDS

For further information contact Henry de Zoete on 07970323112 or henry@thisisthebigdeal.com

Background and Notes to Editors

Transcripts and audio

Full transcripts and audio files of what the sites said to callers can be found here: https://thisisthebigdeal.com/blog/PCW-Miselling-Over-The-Phone

Summaries are below:

uSwitch - call 1 (£62.57 price difference)

Details given: North Scotland caller wanting to change gas supply

The deal that was claimed to be cheapest: £747.54 (Scottish Power's Online Fixed Price Energy February 2016)

What really was the cheapest deal: £684.97 (Zog Energy's Mercury 24)

Price difference: £62.57

Excerpts from the call:

uSwitch: So the cheapest one for gas only will be from Scottish Power. With them it's a fixed deal until 29th February 2016

Caller: So you're saying if I wanted to go just exclusively for the gas, the best one to go for is Scottish Power right?

uSwitch: Yes.

uSwitch - call 2 (£30.90 price difference)

Details given: North Scotland caller wanting to change both gas and electricity (dual fuel)

The deal that was claimed to be cheapest: £1,402.16 (First Utility's iSave Fixed March 2016 v44)

What really was the cheapest deal: £1,371.26 (Extra Energy's Fresh Fixed Price Jan 2016 v 10)

Price difference: £30.90

Excerpts from the call:

uSwitch: We're free and impartial and we're regulated by Ofgem …

Caller: Ok, let's just confirm everything you have told me. So you're saying that First Utility is the cheapest one for me at £1402.16 which is a monthly direct debit of £116.85. Is that right?

uSwitch: That is correct sir.

Caller: Just to clarify, the cheapest one is First Utility on the iSave Fixed March 2016 and that's about £1,400?

uSwitch: That's exactly right sir.

GoCompare

Details given: Southern caller wanting to switch gas supply

The deal that was claimed to be cheapest: £527 (Scottish Power's Online Fixed Price Energy February 2016 tariff)

What really was the cheapest deal: £509 (Zog Energy's Mercury 12)

Price difference: £18

Excerpts from the call:

Go Compare: We'll quickly run through a comparison with you and we'll see which is the best available one on the market, which one will save you the most … Third place is Npower, second place is Green Star Energy and first place is Scottish Power … So did you want to go for the Scottish Power one?

Caller: Yeah that's the one I'm going to look at. So just confirm that that's the cheapest one is it at £527?

Go Compare: Definitely, yeah.

MoneySupermarket

Details given: South East caller wanting to switch gas supply

The deal that was claimed to be cheapest: £538 (Green Star Energy's Rate Saver 12 months fixed version 1501 paperless tariff)

What really was the cheapest deal: £527 (Zog Energy's Mercury 24)

Price difference: £11

Excerpts from the call:

Caller: Ok, so you're saying that Green Star is the cheapest one for me to go for then?

MoneySupermarket: That's correct yes.

Caller: So let me just clarify what you're saying. You're saying that Green Star Energy's the cheapest, and then the second cheapest is Scottish Power and third is a company called Daligas.

MoneySupermarket: That's correct.

Compare the Market

Details given: South East caller wanting to switch gas supply

The deal that was claimed to be cheapest: £538 (Green Star Energy's Rate Saver 12 months fixed version 1501 paperless tariff)

What really was the cheapest deal: £527 (Zog Energy's Mercury 12 fixed for a year)

Price difference: £11

Excerpts from the call:

Compare the Market: Third place is Npower, second place is Scottish Power and first place is Green Star Energy.

Caller: Let my just clarify what you've said. So the cheapest one for me and the one I'm probably going to go for is Green Star Energy and that's in at £538.

Compare the Market: You're on it. That's the one.

Confused

Details given: South East caller wanting to switch gas supply

The deal that was claimed to be cheapest: £538 (Green Star Energy's Rate Saver 12 months fixed version 1501 paperless tariff)

What really was the cheapest deal: £527 (Zog Energy's Mercury 12 fixed for a year)

Price difference: £11

Excerpts from the call:

Caller: Ok, so you're saying that Green Star Energy is the cheapest one for me to go for then?

Confused: Yes, Green Star Energy. Yes.

Caller: And just to clarify what you're saying to me. You're saying the cheapest one is Green Star Energy, managing my account online and getting the bills online as well for £537.

Confused: Yes. That's paying by monthly direct debit as well so it's be £45 per month for you direct debit.

Caller: Wonderful. And that's the cheapest one is it?

Confused: That is the cheapest one for you, yes.

About The Big Deal

The Big Deal is a consumer collective focused on reducing people's energy bills. We bring together tens of thousands of consumers and use our collective buying power to create market-leading exclusive deals.

Launched in March 2014, it now has over 40,000 members and continues to grow. 62% of our members have never or hardly ever switched before – these are the very people who have been let down by the energy market. Moreover, 60% of our members are over the age of 55 and 30% over the age of 65.

Our policy has been to cut the commission we receive in order to get the best deal for our members. The deals we create are cheaper than anything on comparison sites.

Our latest collective switch saved the British public £1.5 million, with an average saving of £303 per household (higher than any other collective switch). 10% of our switchers saved over £475.

The Big Deal charges a commission to energy companies but unlike price comparison sites is entirely transparent about exactly how much. For its forthcoming switch it will be charging £12.50 per fuel - £25 for a dual fuel switcher. This compares to £80 to £100 for a dual fuel switcher that it has been reported the Big Five price comparison sites charge.

Big Deal research exposes price comparison sites' dodgy behaviour

On 20th October 2014, The Big Deal published research that showed that the Big Five switching websites (Go Compare, Compare the Market, MoneySupermarket, uSwitch and Confused) all hide the cheapest deals from users because they don't get paid by energy companies for them. The full research including over 200 screenshots taken over 13 weeks can be found at:https://thisisthebigdeal.com/blog/research-into-price-comparison-websites

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